

NAPA COMPENSATION
QUESTIONNAIRE NOTES

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Date(s) of Interview: 9/8/88

I. Compensation System:

What is compensation approach? (How organization manages and why)
Look to internal structure primarily, and want to pay market secondarily.

A. Hire at, above, or below market salary rates, recruitment bonuses used? Because a little below market, they may hire slightly less than market.

1. Entry vs. senior level hires. No difference in approach, except generally a better relocation package for senior hires.

B. Geographic vs. national pay schedules and why. A national market for Scientists & Engineers (S&E's). Use local/regional markets for their administrative and management groups.

C. What are special compensation programs for supervisors and non-managerial staff? Do try to pay supervisors more than non-supervisors, but they all have the same classification.

D. Pay adjustments--Based on market, profitability or ? Basis is the market tempered by the operating budgets
1. Increase or Salary Management? Both are weighed but greater emphasis is on increase management--there are no tops-of-ranges for their S&E's.

2. Frequency. Annual

3. Merit increase distributions (common date or Anniversary? exceptions or mid-years) based on individual's performance. Common date(October 1). Do have some mid year increases, promotions are normally recognized upon reassignments with a modest promotional increase.

4. Amount of increase tied to performance? Yes, there is an indirect tie. Performance Appraisals are to be taken into account on increases. Written justification is requested on larger merit increases and all promotions.

5. Can non-supervisory pay equal or exceed executive pay (dual ladder--have it; your views)? Yes, within the same organization for a very strong individual contributor with a national/international reputation. This is determined by upper management. The Department Chairmanship is viewed by many as "your turn in the barrel," so there may be recent ex Dept. chairs whose salary is still high as well.

6. Lead, lead/lag or lag; market target at x % +/- market?
Pursue a lead/lag, but have never achieved the goal of being on market on average for the entire year.
- E. How important is uniformity of pay across different business lines and organizations?
1. Uniformity/2. Flexibility. Have tried to maintain uniformity for their senior staff as consistent with the market. Give their management discipline plots and ask them to take the information into account during the salary setting process.
3. Problems/Issues Biology/Medical salaries are impacted by limited funding.
- F. Roughly what portion of total compensation is bonuses or other forms of at risk pay? None
- G. What is purpose of putting pay at risk? N/A
- H. Who can make exception to your start salary rules? What can they change?
1. National office only? (What can they waive?)
2. Division VP?
3. Manager/Supervisor?
Have only one site. On S&E start salaries, they have minimums only. Frequency distributions are given to management. Peers are cited for DOE level cases (salaries @ \$60K/year or more). Little hard constraint other than normal operating budget constraints and sound management practices.
- I. Added Compensation for passing clearance (lifestyle restrictions--can't publish, etc.). Don't have the problem--99% of the work is unclassified
- J. Premium pay (overtime, hazardous duty pay) for professional employees?
1. Do have it? No overtime for professionals, or hazardous pay at all.
2. Who is eligible and under what circumstances?
- K. What do you disclose about your pay system to employees?
1. Classification descriptions? Yes.
2. Rate ranges? Minimum salaries for S&E's (there are no tops-of-ranges); rate ranges for others.
3. Policies/procedures? Yes.
4. Individual pay rates? No.
5. Other? No.

II. RECRUITING APPROACH

What do you sell to recruit staff?

New Graduates/Experienced: Try to sell them everything
Brookhaven has to appeal to the individual:

- A. Salary. They have limited ability to shine here. There has recently been a problem in bringing in people from outside of the area because of the high housing costs now; this problem has arisen in the last four or five years.
- B. Benefits including deferred compensation. They are able to offer all monthly paid people an accrual rate of 24 days of vacation per year to start, but it doesn't increase.
- C. Career with firm
- D. Opportunity to work with latest technology. Facilities are first class
- E. Importance of projects, to?
- F. Profit sharing
- G. Perquisites (work environment). The work environment is collegial.
- H. Ability to work with first class organization (yours)
 - a. best minds. A super staff to work with at Brookhaven.
 - b. at cutting edge, or? The work itself--it is exciting and non-weapons.
 - c. ?
- I. New Grad training program? Don't hire many new grads and no special S&E programs.
- J. Any other thoughts/concepts? They are looking at innovative pay approaches to attracting and retaining people now. They are doing a survey of innovative compensation approaches.

III. Special Recruiting-New PhD or experienced?

What would do to attract a world class talent (PhD in Mathematics, MIT - exception, not pipeline talent. The scientific community knows the "hot shots." They try to give them special staff support, freedom to pursue interesting work, pay a good salary, and they can offer them tenure too.

- A. Would you make exception to your normal classification /compensation rules? Not a whole lot they can do other than as noted above.
- B. If so, on what basis?
 - 1. Work environment
 - 2. How much flexibility to keep a hook in them?
 - 3. Conflict of interest issues? Competition? This is not much of a problem.
- C. How do you pay top people? As well as possible, but it is limited because of DOE approvals to approximately \$80-90,000.
 - 1. Pros/Cons or problems in your system Can't offer as much as some others. This makes it hard for some projects that need a shove.

IV. Workforce Concept

What kind of workforce concept are you operating under?

- A. Lifetime career, no layoff? Basically, a lifetime career opportunity unless a poor performer. But do have some layoffs when budgets are cut.
- B. Only for duration of project? N/A
- C. Hire cutting edge recruits from school; edge out with slow raises after a few years, or? Try to pay a competitive salary to get them and maintain the salary consistent with the performance.
- D. Fully experienced, proven talent from other organizations? A lot of experienced people are hired.
- E. Government/Military as a source? Very little little sourcing from the government or military.
- F. Revitalization of burned-out people? If so what, what conditions? None.

V. Employee Mobility

Do you move your professional staff? What levels? (e.g. Management only? Technical? Have only one location--N/A.

- A. What problems, if any, are you having?
- B. What solutions are you using that work best?
- C How do you keep transferees whole?
 - 1. Family
 - 2. Spouse
 - 3. Second wage earner
 - 4. Schools
 - 5. Other
 - 6. / Additional services offered?

VI. General Support

Do you have:

- A. Second career support - Outplacement activity/consultant? None except perhaps on layoff.
- B. Do you rely on short term "borrowing" of staff from research organizations/universities. etc. (conditions 18-24 months; person goes back to prior job) - Conflict of interest, sabbatical issues? No.
- C. Flexible Benefits (Upper mid-level to below Officer) No.